

## Legislative Bulletin.....March 18, 2009

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**H.R. 1512**—Federal Aviation Administration Extension Act of 2009

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### **H.R. 1512—Federal Aviation Administration Extension Act of 2009 (*Rangel, D-NY*)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, March 18, 2009, under a motion to suspend the rules and pass the measure.

**Summary:** H.R. 1512 would extend the Federal Aviation Administration's (FAA) authority to collect taxes and administer FAA programs through September 30, 2009 (under current law this authority lapses on March 31, 2009). Specifically, the legislation:

- **Extends Expiring Aviation Taxes:** H.R. 1512 extends the federal taxes dedicated to the FAA's Airport and Airway Trust Fund (AATF), through the end of the current fiscal year, at *current rates*. Present-law taxes extended by the bill include the 7.5% Passenger Ticket Tax, the \$3.40 per flight Segment Tax, and the 6.25% Cargo Waybill Tax. According to CBO, in FY 2007, AATF-dedicated taxes amounted to \$11 billion.
- **Extends FAA Spending Authority:** H.R. 1512 extends present-law spending authority for the AATF through the end of the current fiscal year. This spending authority is used to pay for most of the FAA's functions, including the FAA's facilities and equipment program, the research, engineering and development (RE&D) program, and the operations and maintenance program.
- **Sets Authorized Spending Levels:** H.R. 1512 sets authorized spending levels (subject to appropriation) in FY 2009 for the airport improvement program equal to \$3.9 billion, for FAA Operations equal to \$9.0 billion, for Air Navigation Facilities and Equipment equal to \$2.7 billion, and for Research, Engineering, and Development equal to \$171 million. The previous FAA extension (H.R. 6984 in the 110<sup>th</sup> Congress) provided authorization levels of half this amount over the six month period from October 1, 2008 to March 31, 2009, so H.R. 1512 is equivalent to extending these amounts over the full year.

**Additional Background:** The FAA's authority to collect taxes and administer AATF programs has been extended six times since FY 2007. The last such extension, [the Federal Aviation](#)

[Administration Act of 2009](#), was enacted on September 30, 2008. Without an extension, the FAA's authority to collect and spend these taxes will expire on March 31, 2009. In the 110<sup>th</sup> Congress, the House passed H.R. 2881, a long-term FAA reauthorization (see [here](#) for more information on this legislation).

**Possible Conservative Concerns:**

**Extension of Excise Taxes:** Section 257 of the Budget Act requires CBO to assume that expiring excise taxes dedicated to a trust fund will continue beyond the scheduled expiration date. Consequently, though H.R. 1512 will cause federal tax collections to increase by about \$11 billion on an annual basis compared to current law, this legislation will actually be scored as having no impact on federal revenue. But since expiring tax cut provisions are scored in the opposite manner by CBO, some conservatives may argue that an extension of aviation taxes should be offset with equal tax reductions.

**Committee Action:** H.R. 1512 was introduced on March 16, 2009, and referred to both the Committee on Transportation and Infrastructure and the Committee on Ways and Means. Neither committee formally considered the legislation.

**Cost to Taxpayers:** No CBO score is available. However, the legislation extends current law with regard to FAA tax and spending authority, and authorizes a total of \$15.8 billion during FY 2009.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No, though it does extend taxes that would otherwise expire.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No CBO score is available.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** A Committee Report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available. Since the bill is being considered under suspension of the rules an earmark statement is not technically required.

**Constitutional Authority:** No committee report citing constitutional authority is available.

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